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By: 35

25 January 1954

MEMORANDUM FOR THE RECORD

SUBJECT: No-year Appropriations for CIA

1. At a conversation between the Central Intelligence Agency and the Bureau of the Budget the subject of no-year treatment for CIA appropriations came up. Present were Colonel White, [REDACTED] and Mr. Houston for CIA and Messrs. Perry and Hamilton for the Bureau of the Budget. It was agreed that it would be premature to request no-year authority for the regular portions of the budget as we are not prepared yet with detailed justifications. It was also agreed, however, that it would be more secure, practical, and sensible to consider the unexpended portions of the reserve on a no-year basis so that such portions could be carried over from year to year for expenditure under the policies applying to use of the reserve and so that appropriations would be made each year only in an amount necessary to replenish the reserve and to keep it up to the authorized level.

STATINTL

2. The Bureau of the Budget was in favor of presenting this proposal to the Appropriations Committees, but asked whether we had authority to use funds on a no-year basis. I said our authorities might be wide enough as stated in the law, but as this proposal had not been contemplated when the law was enacted, we could not say that it was clearly the intent of the Congress to authorize us to carry funds in this manner. It was agreed, therefore, that I would consult with the Comptroller General's Office to see if he felt the laws pertaining to no-year appropriations and our law would prevent handling the reserve in the desired manner. On 7 December 1953 I talked to Mr. Lyle Fisher, General Counsel to the Comptroller General, at length on this subject. He stated that it made sense to him to handle the reserve on a no-year basis and that he was not sure whether we had the requisite authority. He asked for a day or two to look into the matter, stating that even if we technically had the authority he might need something in writing from the Congress to indicate their intent to have our authorities applied in this manner. I asked Mr. Fisher to let us know by telephone and said if I were not available to talk to [REDACTED]

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3. [REDACTED] told me on 9 December that Mr. Fisher had called him and told him that while some of Mr. Fisher's staff doubted whether we had clear-cut authority to handle funds in a no-year

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manner Mr. Fisher took the position that he would approve of treatment of the reserve on this basis provided we got some expression of intent in writing from the Congress, presumably from the House Appropriations Committee, which would clarify their intent in this respect. I informed [REDACTED] that this appeared satisfactory and we agreed that the written expression of intent from the Committee could be obtained without difficulty if the Committee agreed to our proposal. I saw Mr. Fisher informally a few days later and he repeated that he had had to over-rule some technical objections presented by members of his staff. It is my opinion, however, that if the Committee passes on this specific point and approves, there is no one who can logically question the procedure.

STATINTL

/S/
LAWRENCE R. HOUSTON
General Counsel

cc: A-DD/A
Deputy Comptroller